

Honolulu, Hawaii

APR 27 2012

RE: S.B. No. 2238
S.D. 1
H.D. 2
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2238, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Establish monetary awards for whistleblowers for certain actions that may result in a Department of Taxation action for violations of tax laws;
- (2) Prohibit penalties from being added to tax underpayments of misstatements and erroneous claims for refund or credit of amounts on which certain other penalties are already imposed;



- (3) Require that nonprofit organizations receive notice before denial of a general excise tax benefit; and
- (4) Limit liability of persons having control of certain amounts held in trust for nonprofit organizations.

Your Committee on Conference finds that the prohibitions on additional penalties in this measure have been incorporated in another measure, and your Committee on Conference has several concerns regarding the proposed whistleblower language. Your Committee on Conference further finds that nonprofit organization provisions in this measure address problems that arose following the enactment of Act 155, Session Laws of Hawaii 2010.

Your Committee on Conference has amended this measure accordingly, by:

- (1) Deleting the proposed language on monetary awards for whistleblowers;
- (2) Deleting the proposed language regarding the prohibitions on additional penalties for tax underpayments of misstatements and erroneous claims for refund or credit of amounts on which certain other penalties are already imposed;
- (3) Amending to the definition of "nonprofit organization" in section 237-41.5, Hawaii Revised Statutes;
- (4) Inserting an effective date of July 1, 2012; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

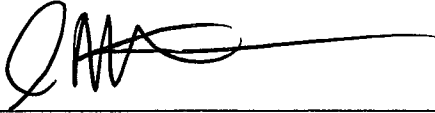
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2238, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2238, S.D. 1, H.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

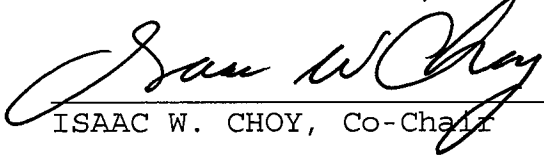
ON THE PART OF THE SENATE



ANGUS L.K. MCKELVEY, Co-Chair



CAROL FUKUNAGA, Chair



ISAAC W. CHOY, Co-Chair



DAVID Y. IGE, Co-Chair



Hawaii State Legislature

CCR 89-12

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 2238, SD 1, HD 2	Date/Time: 4/27/12 5:50pm
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The recommendation of the House and Senate managers is to pass with amendments (CD).


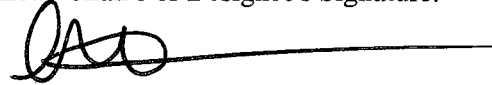
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
FUKUNAGA, Carol, Chr.	✓				MCKELVEY, Angus L.K., Co-Chr.	✓			
IGE, David Y., Co-Chr.	✓				CHOY, Isaac W., Co-Chr.	✓			
SLOM, Sam	✓				TSUJI, Clift	✓			
					MARUMOTO, Barbara C.				✓
TOTAL	3	0	0	0	TOTAL	3	0	0	1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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